

FISCAL NOTE

HB 1869 - SB 1897

March 27, 1997

SUMMARY OF BILL: Abolishes and reestablishes the Tennessee Higher Education Commission (THEC), incorporating a number of changes which include the following:

1. Allows the new THEC to not only review appropriation requests from the Board of Regents and the University of Tennessee institutions, but to modify these appropriation requests at commission-level before transmission to the governor and general assembly.
2. Requires the new THEC to analyze expenditures of institutions of higher education (including individual technology centers) to determine how actual expenditures at these institutions compare to the basis upon which funds were allocated under commission policies.
3. Extends THEC's responsibility to review technology access fees, debt service fees, and student activity fees and includes the technology centers.
4. Gives THEC the duty to establish and implement guidelines for the transfer and acceptance of credit hours among the institutions of higher learning.
5. Changes the composition of the commission members. Would not allow a commission member to qualify as a candidate for elective office while a member unless the member resigned from the new THEC before qualifying.
6. The new THEC executive director would be appointed by the commission to a 4-year term starting July 1, 1997, and would be paid at the highest rate paid to the Commissioner of Education at any point during the director's term.
7. Removes any remaining references to the technology centers as vocational-technical schools under the new THEC.
8. Requires additional information to be included in the Tennessee Challenge 2000 Report, such as the number of programs determined ineligible for accreditation and the basis for such determinations; percentages of faculty time spent on sponsored and non-sponsored research, academic instruction, and administration as well as the average direct cost per credit hour of instruction at each institution by department.

9. Transfers all real and personal property under the control of THEC as of June 30, 1997, to the new THEC effective July 1, 1997.
10. Provides that all contracts and leases entered into shall remain in full force and effect unless otherwise amended or modified by the parties or until expiration of such contract or lease.
11. Provides that all employees of THEC as of June 30, 1997, shall become employees of the new THEC effective July 1, 1997, and shall continue as such for a period of 90 days at which time their employment shall cease unless otherwise determined by the commission.

ESTIMATED FISCAL IMPACT:

State Expenditures - Net Impact/Not Significant

Assumes the net effect of this bill will be not significant since it basically transfers all the same duties and responsibilities from the existing THEC to the new THEC.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive

Director